

FACT SHEET



DOWN PAYMENT ASSISTANCE PROGRAM (DAP)

(Effective July 1, 2004)

~ Information for Prospective Buyers ~

Q: What is the City of Stockton Down Payment Assistance Program (DAP)?

A: The program is used to provide up to \$50,000 towards the purchase of a single-family home or a condominium unit. Funds can be used towards the down payment, prepaid PMI, closing costs, or permanent mortgage interest rate buy down (lowering the interest rate on your purchase loan by paying points). Another portion of the program can provide up to \$50,000 be used to make repairs to the house.

Q: How Do I Know if I am Qualified to Use the Program?

A: The first qualification is the income restrictions for the program shown below. The remainder of the program qualifications will be handled by your lender.

Income Eligibility by Household Size:

Household Size (Number of Persons to Reside in Home)	Maximum Allowable Gross Annual Income (Per Household)
1	\$30,850
2	\$35,250
3	\$39,650
4	\$44,100
5	\$47,600
6	\$51,150
7	\$54,650
8 or more	\$58,200

(Revised January 2004)

Q: Do I have to live in Stockton?

A: The program is available to buyers who have lived within the city limits of Stockton for a minimum of 12 months prior to application.

Q: Where can I buy?

A: The property must serve as the purchaser's primary residence and must be located within the city limits of Stockton. No purchases outside of city limit boundaries can be assisted. Take note of San Joaquin County boundary lines within the Country Club and Lincoln Village West areas.

Q: How much can I borrow?

A: The program will lend up to **\$50,000** towards the purchase of the home and another **\$50,000** towards the repair of the home. The exact amount available to you will be determined based upon the details of your purchase – purchase price, amount of funds you will be contributing to purchase, amount of purchase loan from lender, etc.

Q: Do I have to pay the money back?

A: Up to \$5,000 used towards closing costs will be forgiven if you live in the house long enough. The remainder of the funds is loaned for 30 years at no interest. Payments are not required during the 30 years; however, the loan plus five (5) percent of the net appreciation of the home comes due all at once (balloon payment) at the end of the 30 years. You will also have to repay the loan if you sell, refinance or no longer live in the property before the end of the 30 year time requirement. If you choose, payments may be made during the 30 years in any way you wish. There is no prepayment penalty, and the City does not charge to make the loan.

Q: How Do I Apply?

A: There is no application, paperwork or list. Simply select a lender who will be loaning you the money to purchase your house. You may work with the lender of your choice. Because lenders charge different amounts, it is recommended that you “interview” at least 2-3 different lenders to compare interest rates and fees. Let the lender know that you are interested in using the City of Stockton Home Buyer Assistance Program, and ask the lender to contact the City. You may give them a copy of this flyer if they do not know about the program. The City works directly with your lender to process your loan for the program.

Q: Do I have to attend any classes to use this program?

A: Yes. Each borrower will be required to attend a home buyer class that offers a minimum of eight (8) classroom hours. You will need to get a certificate from the course that indicates the number of training hours you received. Many lenders and non-profit housing groups offer the courses at little or no cost to you. You may call the City for help in locating a class.

Q: Is there anything else of which I should be aware?

A: Ask questions! None of us are born knowing how to buy a house. Don't feel embarrassed because you don't understand something. If the lender or real estate agent does not take the time to explain things to you, they may not be the right person to help you. You should insist upon the same service and patience that is expected for any other large purchase.

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